

CHAPTER 9

SLOVENIA



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Abstract

This report presents the relevant features of EU enlargement process related to Slovenia. Slovenia submitted its membership application on 10 June 1996. The European Parliament (hereinafter, EP) gave its assent to Slovenia to become a member of the EU on 23 September 2003. The entire process from the submission of the formal application to its acceptance took seven years. Formal negotiations on the 31 chapters of the *Acquis Communautaire* occurred during the intervening four years (from 1998 to 2002).

The accession process began after Slovenia applied for EU membership and its request was agreed to, by all EU member states, as the commencement of the formal accession negotiations required the agreement of all EU member states. For Slovenia as a candidate country, these negotiations were the opportunity to prepare for the membership in terms of satisfying the Copenhagen criteria (the adoption of the established EU law and implementation of the reforms required: judicial, administrative and economic).

After successful negotiations, the demanding process of accepting the accession treaty was conducted. The terms and conditions for accession were incorporated into an accession treaty. The treaty needed the European Parliament's consent and the Council's unanimous approval before EU member state and the candidate country could sign it. After all the contracting parties ratified the accession treaty, Slovenia become an EU member state.

The Report is divided into 22 questions in the following 3 chapters: (1) Initial requirements upon Slovenia as candidate country; (2) Institutions and procedures of Slovenia's accession; (3) Legal and economic support for Slovenia as candidate country

Rado Bohinc (2026) 'Slovenia'. In: Michal Petr (ed.) *EU Enlargement and Successful Integration: Is There a Way?* Volume II., pp. 825–847. Miskolc–Budapest, Central European Academic Publishing.



https://doi.org/10.54237/profnet.2026.mpeesitw_9

Keywords: enlargement process, Treaty of Accession, Luxembourg negotiating group, Copenhagen criteria, candidate country, *Acquis Communautaire*, Slovenia's accession to the EU

1. Introduction

Membership in the EU has been the aspiration of the Slovenian people since before its independence. The Republic of Slovenia (hereinafter, Slovenia or RS) strengthened its already close political, economic and cultural cooperation with the EU and its cultural and civilisational position in Europe. Slovenia's strategic goal to join the EU was significant from the security perspective. Slovenia believed that it could address national security and defence issues more effectively within the EU and NATO.

Slovenia's position and its prospects of joining the EU were somewhat controversial. On the one hand, considering its economic development and its capacity for adopting the *Acquis Communautaire*, Slovenia was regarded as being one of the applicant countries likely to qualify among first for admission to the EU. On the other hand, this was rather a success for a country that had some problems while taking the first steps towards European integration and was primarily considered by many as simply another part of the turbulent Balkans.¹

RS became member of the EU together with the Czech Republic, Republic of Estonia, Republic of Cyprus, Republic of Latvia, Republic of Lithuania, Republic of Hungary, Republic of Malta, Republic of Poland, and Slovak Republic signing the Treaty of Accession in 2003. A similar in-depth adaptation occurred in the accession cases of Bulgaria and Romania (2007) and Croatia (2013).

Slovenia joined the first Luxembourg negotiating group, as the last candidate, together with Cyprus, the Czech Republic, Estonia, Hungary, and Poland. The conditions of admission and the adjustments to the Treaties on which the Union is founded, following such admission, were set out in the Act annexed to the Treaty of Accession which is an integral part of the Treaty.

The EU integrates new members through the enlargement process once they fulfil a number of political and economic conditions. The process encourages democratic and economic reforms in countries that aim to become EU members and promotes greater stability and prosperity in Europe.

In principle, any European state which respects EU democratic values and is committed to promoting them may apply for EU membership. However, the accession waves differ significantly depending on the intensity of the differences in established values and political traditions in the candidate countries. In this regard,

1 Ministry of Foreign Affairs, Government Communication Office, 2014.

the accession of the ten Central and Eastern Europe Countries (CEEC), Baltic states and Cyprus in 2004, stands out.

2. Initial Requirements on Candidate Countries

Question No. 1

What Conditions Did Your Country Need to Satisfy Before Formally Applying to Join EU? To Your Knowledge, Were These Conditions Different From Those Applied to Countries in a Comparable Position?

This chapter presents the requirements laid upon Slovenia before the accession process began and before it joined the EU.

Conditions and the legal and institutional framework, relevant for relations between Slovenia and the EU, that Slovenia needed to satisfy before formally applying to join the EU were laid down by the Cooperation and later Europe Agreement.

The Cooperation Agreement between the RS and Former European Economic Community was signed on 5 April 1993 and entered into force on 1 September 1993. By this agreement Slovenia assumed the rights and obligations deriving from the Cooperation Agreement concluded with the former FSRY in 1980.

Negotiations for the conclusion of the new Cooperation Agreement (also called Association Agreement) began soon after independence, in July 1992. Slovenia had to update the political part of the agreement shortly afterwards, leading to preparation of a Europe Agreement.

In 1992 Slovenia officially applied for an Association Agreement with the EU (also known as the Europe Agreement). It was signed on 10 July 1996; the same day Slovenia presented an application for membership in the EU. Europe Agreement with the EU replaced the then existing Cooperation Agreement.

On 15 July 1997, the Europe Agreement was ratified by the Slovenian National Assembly, after an amendment to Art. 68 of the Constitution had been adopted, making it possible for foreigners to own real estate in Slovenia after a four-year transitional period. The agreement entered into force on 1 February 1999.

The Europe Agreement comprised three chief sections. The first, second and third sections contained the political provisions, trade between the EU and Slovenia and technical and financial assistance, respectively.

The section on trade prioritised the harmonisation of legislation in relation to the internal market. The Parties agreed to establish a free-trade area between the EU and Slovenia in the next few years.

On 11 November 1996, Slovenia and the EU signed an Interim Trade Agreement, which entered into force on 1 January 1997. With this, the part of the agreement

relating to trade, which defined the free trade area between Slovenia and the Member States, entered into force.

The EU was Slovenia's chief trading partner. In 1998, 65.5% of Slovenia's exports were to the EU, and 69.4% of its imports were from the EU. Although Slovenia's exports to the EU rose by 12% in 1997 its trade balance with the EU indicated a deficit of EUR 1.5 bn. Slovenia's chief trading partners in the EU were Germany, Italy and France.²

As the Cooperation and Europe Agreements were bilateral (EU and Slovenia), clearly the conditions for accession differed for the applicant countries, however the general framework referring to political provisions and free trade between technical and financial assistance was mostly similar.

On 12-13 December 1997, the Luxembourg European Council instructed the Commission to submit its recommendations for the bilateral governmental conferences with the applicant countries. A single framework was created for Slovenia and other applicant countries. However, it considered the specificities and characteristics of individual countries and differed in this sense.

Moreover, the Luxembourg European Council 1997 decided to launch the accession process on 31 March 1998 with the ten applicant countries (the Czech Republic, Republic of Estonia, Republic of Cyprus, Republic of Latvia, Republic of Lithuania, Republic of Hungary, Republic of Malta, Republic of Poland, Republic of Slovenia and Slovak Republic) and Cyprus. The first meeting occurred in London on 12 March 1998 and the second in Luxembourg on 5 December 1998.

Question No. 2

When Did Your Member State Formally Apply to Join the EU?

Slovenia submitted its membership application on 10 June 1996, on the same day when it signed a Europe Agreement (see above) with the EU which entered into force, after ratification on 1 February 1999.

On 16 July 1997, the European Commission presented an opinion on candidate countries to join the EU (Agenda 2000). As the opinion on Slovenia was favourable, in December 1997 Slovenia was included in the first round of countries for the commencement of negotiations, which officially began on 31 March 1998 and ended at the end of 2002 with an agreement on Slovenia's accession conditions.

European Parliament legislative Resolution on the application by the RS to become a member of the EU gave its assent to the application on 23 September 2003.

2 Slovenia's exports to the EU were categorised as follows: machinery and electrical equipment, 22%; equipment for various modes of transport, 16%; textile products, 13%. Its imports from the EU were: machinery and electrical equipment, 25%; equipment for various modes of transport, 15%; and base metals, 11%.

The entire process from the submission of the formal application in 1996, to its acceptance took seven years, including formal negotiations on the 31 chapters of the *Acquis Communautaire* in the intervening four years (from 1998 to 2002).

Question No. 3

*What Conditions Did Your Country Need to Satisfy Before Joining the EU?
To Your Knowledge, Were These Conditions Different From Those Applied to Countries
in a Comparable Position?*

The accession criteria or Copenhagen criteria (named after the 21/22 June 1993 Copenhagen European Council meeting which defined them), were the essential conditions that Slovenia, as all candidate countries, had to satisfy to become an EU member state. These are: (1) political criteria: stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; (2) economic criteria: a functioning market economy and the capacity to cope with competition and market forces; (3) administrative and institutional capacity to effectively implement the EU *Acquis* (body of common rights) and ability to fulfil the obligations of EU membership.

Copenhagen criteria were defined as minimum political, economic and legal standards which a candidate country had to fulfil to qualify for the EU accession.

The implementation of the Copenhagen criteria went hand in hand with the processes of deep democratic and economic reforms in the country, which resulted in a thoroughly revised legislation to create a legal order consistent with European ones. This involved a chapter-by-chapter scrutiny of progress in adopting the *Acquis Communautaire*; a total of 31 chapters had to be adapted and scrutinised, which was an enormous job for political and administrative structures of Slovenia as candidate country.

The conditions for the admission of Slovenia as the applicant country were, the same as that for all the other nine in the group of accession countries, set out in the draft Treaty on Accession (2004). The general conditions for the ten countries that applied were not different but comparable. The Commission drew up a partnership for each of the applicant countries, comprising priority action areas and financial resources to enable each applicant to implement the priorities, conditions for implementing the assistance.

The Commission asked each applicant country to propose a national programme for adoption of the *Acquis Communautaire* (NPAA), with a timetable for priority measures and details of the resources required. These documents were reviewed and adapted each year for each of the applicant countries. Therefore, the process was coordinated not only in terms of timelines and procedures, but also in terms of the legal adjustments that the candidate countries had to implement to fulfil the conditions for accession.

Question No. 4

Were There Any Specific Features of Your Member State's Accession to the EU, Compared to Other Countries in a Comparable Position?

The implementation of the Copenhagen criteria for Slovenia meant a thorough reconstruction of its political and economic system and the adoption of *Acquis Communautaire*, including amending the Constitution. Conclusion thereof depended on full compliance with the three Copenhagen criteria: democracy, the rule of law, human rights and the protection of minorities; a functioning market economy; and compliance with the obligations of membership.

The pre-accession strategy was drawn up by the Commission in consultation with the Council and the European Parliament pursuant to Art. 308 of the TEU.

The European Council decided to establish bilateral partnerships to bring the applicant countries up to the standards prevailing in the EU as rapidly as possible. On 31 March 1998, official accession negotiations began with six bilateral governmental conferences. As part of a new approach introduced by the Helsinki European Council, the other applicant countries also began their accession negotiations.

Specific features of Slovenia's accession to the EU, compared with other countries were expressed in the negotiations, where each candidate country asserted its own specificities.

According to the Treaty of Accession (2003), RS together with other nine countries became member of the EU and simultaneously became Party to the Treaties on which the Union was founded (Art. 1). The conditions of admission and the adjustments to the Treaties on which the Union is founded, following such admission, are set out in the Act annexed to the Treaty, as its integral part.

However, EU enlargement processes have had a strong impact on the EU itself, its governance structures and decision-making methods, and thus on the position of the member states. For example, this was clearly visible in the Treaty of Nice, which fundamentally changed the balance of power in the context of the approach of the ten new member countries in 2004.

3. Institutions and Procedures of Accession

Question No. 5

What Was the Legal Framework of the Accession Procedure (From the Application to Join the EU Until Accession)? What Agreements Were Signed With the EU?

What Legal Measures Adopted by the EU Governed the Proceedings?

Were There Any National Rules Specifically Governing the Procedure of Accession?

This section discusses the legal aspects of the accession procedure, including institutions established for that purpose, legislative changes at national level and monitoring of the process by the EU institutions.

The legal framework of the accession procedure comprised the two aforementioned agreements (Cooperation and Europe Agreements) and the legal acts that were enacted by EU bodies (Commission, the European Council and European Parliament).

The accession process with Slovenia and the ten applicant countries (CEEC, Baltic countries, Malta and Cyprus) formally began on 30 March 1998. The pre-accession strategy was imposed by the EU Commission and the official accession negotiations began on 31 March 1998.

Accession negotiations continued since April 1998, through a screening process. A special Accession Partnership was adopted for Slovenia.

The accession procedure (since the application to join the EU until the accession) was guided throughout by the Commission and the Council, which adopted interim decisions on Commission's proposal. On 15 March 1998 the Commission presented to the Council the short- and medium-term priorities which Slovenia should fulfil.

After concluding its regular report on 13 October 1999, the Commission also published its proposal for a Council decision on the new principles, priorities, interim objectives and partnership conditions for the accession of Slovenia. The Council adopted the decision and updated priorities.

Slovenia, as other applicant countries, proposed a national programme for adoption of the *Acquis Communautaire* (NPAA) with priorities in accordance with those of the accession partnership (short- and medium-term priorities which Slovenia should have fulfilled). On 27 May 1999, Slovenia adopted the new NPAA, in accordance with the Commission's comments.

The conditions for the admission of the ten applicant countries and adjustments following their accession were finally set out in the draft Treaty on Accession.

Question No. 6

What Institutions Were Set Up for the Purposes of Accession at Both EU and National Level?

The following institutions were established at the EU level.

The Association Council (at Foreign Minister level) is the forum in which the Parties raise certain issues and agree on solutions. Its first meeting occurred at Luxembourg on 22 February 1999.

The Association Committee (comprising senior civil servants) met for the first time on 25 March 1999 in Ljubljana.

The Joint Parliamentary Committee comprised Members of the Slovenian Parliament and MEPs. The constituent meeting was held in Strasbourg from 15 to 16 December 1998; the second meeting was held in Ljubljana from 17 to 19 March 1999.

Many institutions were established at the Slovenia level as well. The Government of the RS appointed the leaders and members of the 31 working groups in the areas divided by negotiation chapter content and a national coordination group chaired first by minister for foreign affairs and later by minister for EU affairs.

The working groups comprised representatives of individual ministries, governmental and some non-governmental bodies. In certain stages of the negotiations, representatives of employers, employees and interested representatives of non-governmental organisations were also included.

In addition, the National Assembly was organised specifically in connection with preparations for joining the EU, which is discussed separately.

Question No. 7

What Legal Criteria Was Your Country Obligated to Satisfy Before Joining the EU? To Your Knowledge, Were These Criteria Different From Those Applied to Countries in Comparable Position?

Slovenia was in the first group of six candidate countries (the Luxembourg group), assessed as ready to initiate the negotiations. Negotiations began on 31 March 1998 and were concluded on 13 December 2002. On 15 July 1997, the Commission, in Agenda 2000 recommended to initiate accession negotiations with Slovenia, as in the Commission's opinion, Slovenia provided the necessary guarantees for democratic development and respect for human rights.

Since April 1998, an analytical assessment ('screening') of various sections of the *Acquis Communautaire* had been under way, leading to substantial negotiations, as a result of which it was possible to close 12 out of 31 negotiating chapters. The Commission appreciated the fact that objectives were properly identified in the amended NPAA. However, it criticised the Slovenian authorities for not clearly defining the arrangements and timetable for their implementation.

A chapter-by-chapter scrutiny of progress in adopting the *Acquis Communautaire* also involved ascertaining whether a compatible legislative process already existed or would need to be set up and investigating the administrative capacity of the country to adopt the *Acquis*.

In the case of Slovenia (and the other 'wave' countries), 10 out of 15 chapters were completed at the beginning and did not require further negotiation (research and science; teaching and education; culture; small businesses; company law; consumer and health protection; the customs union; external trade relations and telecommunications).

Considering the dynamics of the negotiations, three chapters were closed in 1998, six in 1999, five in 2000, twelve in 2001 and five in 2002. At the end of 2002, negotiations were closed.³

3 Lavrač and Majcen, 2006.

At the Intergovernmental Conference in Brussels from 30 September to 4 November 1999, a further eight chapters were due for negotiation, including: economic and monetary union, the free movement of capital, social and employment policy, energy, free movement of services, transport, the environment and taxation policy. The EU foreign ministers and those of some of the applicant countries met in Brussels on 7 December 1999 for a further round of negotiations.

One of the Portuguese Presidency's stated objectives was to open as many negotiating chapters as possible to speed up the pace of talks under the French Presidency in the second half of 2000. The Slovenian authorities had expected the negotiations to be concluded in late 2001 so that accession could come into effect on 1 January 2002, however they were not concluded.

Question No. 8

What Procedures on EU Level Were There in Place to Monitor the Fulfilment of the Accession Criteria? Were There any Comparable Specific Domestic Monitoring Procedures?

The screening procedure was an overview of Slovenia's domestic legislation in comparison with the European one (the *Acquis Communautaire*). An analytical assessment of various sections of the *Acquis Communautaire* led to substantial negotiations; this made it possible to close 12 out of 31 negotiating chapters at the beginning. For each of the chapters, both the EU and Slovenia prepared their negotiating positions. In negotiations for each chapter, Slovenia agreed on necessary changes to domestic legislation, except for some exemptions from the complete adoption of the *Acquis*.

A national negotiating team, a narrower group of experts (the working groups for the individual chapters formed by decision of the Government), exerted considerable effort to conduct the negotiations.

On 13 October 1999 Slovenia was assessed as having the democratic structures to safeguard the rule of law (the Helsinki European Council). Regarding economic criteria, a market economy existed, and Slovenia maintained its macroeconomic stability. However, that was insufficient; the areas requiring further effort were highlighted, such as legislative process being extremely slow to ensure transposition of the entire *Acquis Communautaire*.

The European Parliament gave its assent to the application by the RS to become a member of the EU by legislative resolution on 23 September 2003. The EP assent was given upon the Council's request for Parliament's assent pursuant to Art. 49 of the EU Treaty (C5-0123/2003), according to the opinion of the Commission (COM (2003) 79) and following the resolution of 9 April 2003 on the conclusions of the negotiations on enlargement in Copenhagen.

Question No. 9

To What Extent Was Your Country Involved in the Work of EU Institutions (e.g. Participation in the Commission's or Council's Working Groups, Participation of Your Representatives at the Commission's or Council's Meetings etc.)?

The National Assembly, following the example of other national parliaments, established a Commission for European Affairs in May 1996. The Commission played a central coordinating role on European affairs within the National Assembly. Thus, it differed in terms of its sphere of work from other working bodies specialising in particular areas. The Commission ceased its work on 21 May 2004, when the Committee on EU Affairs was established by a decree of the National Assembly.

Pursuant to the Constitution of the Republic of Slovenia and the Cooperation between the National Assembly and the Government in EU Affairs Act, the National Assembly required to take a position on EU legislative acts. Art. 3a of the Constitution of the RS stipulates that a law regulating relations between the National Assembly and the Government when adopting legal acts and decisions in international organisations to which Slovenia entrusts the exercise of sovereign rights (EU) shall be adopted by a two-thirds majority vote. The Cooperation between the National Assembly and the Government in EU Affairs Act was adopted in 2004, immediately before Slovenia's accession to the EU (it was then amended on three separate occasions in 2010 and 2015).

Slovenia is now represented in all EU institutions. Slovenian citizens, as politicians, officials and other experts, actively participate in the work of EU institutions and bodies.⁴

4 The European Parliament, which represents the voices of EU citizens, now includes eight Slovenian Members.

The European Commission, which represents the common interests of the EU, is composed of one commissioner from each member state. In the 2019-2024 term, the Slovenian commissioner was responsible for crisis management; in 2024-2029, the Slovenian commissioner has planned to take over the Balkans and Ukraine enlargement.

The Council of the European Union represents the interests of member states and meets in different configurations at different levels. The Slovenian representatives include ministers, representatives of ministries and government offices and diplomats from the Permanent Representation of the Republic of Slovenia to the EU.

The Prime Minister of the Republic of Slovenia represents Slovenia's political interests in the European Council.

The Economic and Social Committee includes seven Slovenian members, who represent the interests of employers, trade unions and various interest groups.

The European Committee of the Regions includes seven Slovenian members, who represent two representative organisations of Slovenian local communities – the Association of Municipalities and Towns of Slovenia and the Association of Municipalities of Slovenia.

Question No. 10***Has Your Country Experienced any Particular Difficulty in Meeting Some of the Accession Criteria?***

Slovenia's negotiations with the EU began in 1998. Negotiations occurred successively, beginning with easier chapters and later proceeding to more difficult chapters. Real negotiations on a financial package of membership (contributions to the EU budget and payments from it for the agricultural policy, structural and cohesion funds in the period 2004-2006) began at the end of the negotiations, in 2002.⁵

In its resolution of 15 April 1999 European Parliament indicated that Slovenia had the democratic structures to safeguard the rule of law and had reached a satisfactory level concerning the economic conditions for accession laid down in Copenhagen. However, it deplored the lack of progress on incorporating the *Acquis Communautaire*, particularly in sensitive areas such as justice, home affairs and the internal market. Moreover, the Parliament drew attention to the need for a serious and through-going reform of the administration and justice system. It expressed its conviction that the Slovenian authorities would be able to recover the accumulated delay.

In December 1998, the Commission submitted its first report to the European Council on the progress in each of the countries of central and eastern Europe in preparing for accession. In 1999, in its second report on 13 October 1999, the Commission published regarding the Helsinki European Council. The reports reviewed Slovenia's effort to prepare for accession to the EU and highlighted the areas where further effort was required. It was reported that Slovenia fulfilled the political Copenhagen criteria (Slovenia now had the democratic structures to safeguard the rule of law), although, according to the Commission, the legislative process was extremely slow to ensure that transposition of the entire *Acquis Communautaire* was completed. The time problem also affected the country's enhanced judicial capacity.

Regarding economic criteria, a market economy existed, and progress had been made in liberalising administered prices. Slovenia had maintained its macroeconomic stability, however, the Commission report indicated that to cope with competitive pressure and market forces within the EU, the legal environment for business needed to be further modernised. It was suggested that the pace of structural reforms should be stepped up to better use the economy's growth potential.

Regarding the third criterion, that is, the capacity to adopt the *Acquis Communautaire*, Slovenia made considerable efforts in most areas of the *Acquis*, such as the internal market, justice and home affairs. It was required that an appropriate legal framework must be created for state aid, the agriculture sector and the free movement of persons, capital and services.

It was assessed that Slovenia had made limited progress regarding general reform of its public administration. Appropriate supervisory and regulatory bodies needed

5 Lavrač and Majcen, 2006.

to be set up in the fields of public procurement, energy and telecommunications. Thus, the negotiations had not concluded and the process continued despite good results in the negotiation of most chapters.

Question No. 11

In What Way Was the Constitution of Your Country Changed in Order to Accede the EU? Was the Accession Legally Challenged (e.g. Constitutional Court)?

Immediately before joining the EU, Slovenia amended the Constitution, that is, Art. 3a and thereby created the constitutional basis and conditions for the transfer of a part of its sovereignty to international organisations.

More specifically, the amended Art. 3a stipulates the transfer of the exercise of a part of sovereign rights, owing to the involvement of the country in international organisations, rather than of the transfer of sovereignty.

The amended Art. 3a of the Constitution of Slovenia stipulates that Slovenia, with an international agreement can transfer the exercise of a part of sovereign rights to international organisations, but not to any international organisation.

The Constitution sets the condition that the exercise of a part of sovereignty can only be transferred to international organisations based on respect for human rights and fundamental freedoms, democracy and the principles of the rule of law (EU). The same constitutional rule with supplementary Art. 3a of the constitution also applies to entering a defence alliance with countries based on respect for these values (NATO).

As explained before, an amendment to Art. 68 of the Constitution had also been adopted, enabling foreigners to own real estate in Slovenia after a four-year transitional period, to ensure Slovenia signed a Europe Agreement with the EU.

The accession of Slovenia was legally challenged at the constitutional court.

Question No. 12

Was There a Referendum in any Stage of the Accession Procedure?

The above Art. 3a of the amended Constitution of Slovenia, also stipulates that before the ratification of such an international treaty, the National Assembly can call a referendum. The proposal is accepted at the referendum, if most voters have validly voted for it. The National Assembly is bound by the outcome of the referendum.

On this basis, a referendum was held regarding both issues (EU and NATO) on 23 March 2003, which was supported by a large majority of voters (89.64% for Slovenia's entry into the EU and, with a slightly smaller majority of 66.05% for Slovenia's entry into NATO).

On 30 January 2003, the National Assembly adopted the referendum question that read: 'Do you agree that the Republic of Slovenia becomes a member of the European Union (EU)?'

To summarise, on 23 March 2003, the majority of Slovenian citizens voted in favour of Slovenia joining the EU in a referendum on Slovenia's accession to the EU, and on 1 May 2004, Slovenia became a full member of the EU after completing the accession process.

The referendum on EU membership demonstrated a high level of Slovenian public support for joining the EU (with 86% of votes in favour of EU accession).

Question No. 13

In Addition to the Above, Were There any Noteworthy Legal Aspects Concerning the Negotiation and Ratification of the EU Accession Agreement in Your Country?

The Treaty of Accession, 2003 was signed on 16 April 2003 in Athens, Greece, between the then-EU members and the ten acceding countries concerning these countries' accession into the EU (2004 enlargement of the EU). Moreover, the text amended the chief EU treaties, including the qualified majority voting of the Council of the EU; it changed a number of points which were originally laid down in the Treaty of Nice. The treaty entered into force on 1 May 2004 resulting in enlargement of the EU with ten states.

The ten countries became EU members on 1 May 2004, however, some areas of cooperation in the EU applied to some of the EU member states at a later date. The EU had to prepare for such a significant expansion as well. Its member states at that time harmonised the Nice Treaty, thus preparing the EU for the extensive enlargement on 1 May 2004.

The Treaty of Nice reformed the institutional structure of the EU; a compromise was reached, which provided for a double majority of Member States and votes cast. The Treaty provided for an increase after enlargement of the number of seats in the European Parliament to 732.

The Treaty provided that once the number of Member States reached 27, the number of Commissioners appointed in the subsequent Commission would be reduced by the Council to below 27. As a transitional measure the Treaty stipulated that after 1 January 2005, Germany, France, the United Kingdom, Italy and Spain would each give up their second Commissioner.

The changes involved modification of the decision-making process, substantial reduction in the number of cases where the Council of the EU had to decide by an absolute majority and adjustment of the weighting of votes of individual member states in the Council of the EU with a qualified majority; the powers of the President of the European Commission were strengthened.

4. Legal and Economic Support for Candidate Countries

Question No. 14

Before the Accession, Was There Any Institutionalised Support for the Approximation of the Legal Order of Your Country From the EU?

The support provided to the candidate countries by the EU includes the following financial aid programmes of three types: (1) The National PHARE Programme, which covered the following sectors in the programme for Slovenia: (a) administration and public institutions, particularly in the fields of agriculture, public finance and financial control; (b) the adoption of legislation on the internal market; support for investment in the environment and transport sectors; (c) education, research and science; (d) the private sector, reconstruction and privatisation; support for social programmes and job creation; (e) cooperation in the fields of judicial and home affairs (on frontier controls, fighting organised crime, and immigration and visa policy).

Under the PHARE Programme Slovenia received technical and financial assistance. Between 1992 and 1999 it received a total of EUR 192 million (average approximately EUR 30 million per year) in grants.

(2) The Cross-Border Cooperation Programme: These programmes aimed to increase cross-border cooperation with Austria (EUR 2 million per year) and Italy (EUR 5 million per year). A trilateral cooperation project has also been operating with Hungary and Austria since 1995.

(3) The Multi-Country Programme: Slovenia participates in multi-country programmes to encourage the development of small businesses and infrastructure in the applicant countries.

The 2000 PHARE programme allocated EUR 33.4 million. A further EUR 7 million were allocated for cross-border cooperation programmes. PHARE 2001 allocated EUR 21.3 million for Slovenia. A further EUR 7 million were provided for cross-border cooperation. PHARE 2002 allocated EUR 18 million to Slovenia, plus an envelope of EUR 16.9 million under the additional facility to reinforce the institutions. This was supplemented by a further envelope of EUR 7 million for cross-border cooperation with its neighbours. The financial aid for the period 2000-2002 was allocated as follows: PHARE, EUR 25 million a year; aid for agriculture and rural development, EUR 6.6 million a year; structural instrument, between EUR 10 and 20 million a year (source: Partnership for the accession of Slovenia).

The programme observed the principle of equal treatment between applicant countries. The PHARE Programme is based on two priority objectives: strengthening of administrative and judicial capacity (approximately 30% of the total); and investment for adopting the *Acquis Communautaire* (70%). Moreover, similar to other applicant countries, Slovenia participates in some Community programmes on education, training and research, and in some Community agencies.

Financial assistance for the period 2000-02 was divided as follows: EUR 25 million a year under PHARE, EUR 6.5 million a year under the Special Accession Programme for Agriculture and Rural Development (SAPARD) and EUR 10.8-21.7 million a year under the Instrument for Structural Policies for Pre-Accession (ISPA). SAPARD 2002 allocated EUR 6.6 million to Slovenia.

The ISPA envelope for 2002 was between EUR 10.9 and 21.8 million (source: Partnership for the accession of Slovenia).

Question No. 15

Did Your Country Benefit From Any Funds Providing Financial Support in Relation to EU Accession Immediately After the EU Accession?

Yes, in addition to the aforementioned PHARE and the other two Programmes, which were supportive of the accession priorities, pre-accession aid was provided, the amount of which doubled in the period 2000-2006, that is immediately after the EU accession. It included aid for agriculture and rural development (SAPARD) and a structural instrument (ISPA) to benefit similar measure for the cohesion funds in the environment and transport sectors.

PHARE was redirected towards preparing the candidate countries for accession and was complemented by two other instruments: ISPA and SAPARD. These instruments, which were set up for the period 2000-2006, was replaced by the Instrument for Pre-Accession Assistance (IPA) for the period 2007-2013. Slovenia benefited from all these programmes.

Question No. 16

Were There Any Other Noteworthy Aspects of EU Support Provided to Your Country Before the Accession?

The EU research (e.g. framework programmes) and development programmes from that period, as well as student exchange programmes and exchange of professors and researchers are noteworthy.

Notably, integration into the EU was not only a political project, but also, from the candidate's position, a project of civil society, particularly the scientific and the business communities.

Research projects in the field of social sciences (primarily economics, law, political science, international relations) from that period almost consistently included EU topics. The EU's support for these projects was significant, and this in many ways facilitated the significant systemic upheavals and adaptations that occurred based on negotiations by individual chapters/areas.

The same applies to development funds intended for restructuring the economy owing to more demanding competitive conditions on the single EU market.

5. Specific Rules Applicable to Candidate Countries Before and After Their Accession

Question No. 17

After the Formal Application to Join the EU, Was Your Country Willing or Able to Negotiate Any Specific Exemption From the Accession Procedure (e.g. Areas of Law Not to Be Approximated, Limits to the Approximation etc.)?

Two types of exemption from the full *Acquis* were available in negotiations for the candidate countries: transition period and derogation.

Transition period presents a temporary exemption, which provides a country more time for adjustment, whereas derogation is permanent exemption; it lasts until it is lifted and means that the country does not have to take over the complete European legislation in that area.

Yes, after the formal application Slovenia negotiated specific temporary and permanent exemption from the accession procedure, chapter by chapter. Altogether Slovenia proposed 22 exemptions or transition periods and 6 derogations. Prior to accession, Slovenia adapted its legislation to EU regulations in all areas of law, except in areas where certain exceptions and transitional periods were agreed in the negotiations (18 transitions and 2 derogations). Country-specific exemptions from the general approach for Slovenia were negotiated during the pre-accession negotiations only. After the actual accession there were no further negotiations. Derogations were approved very exceptionally. As explained, Slovenia finally negotiated 18 transition periods and 2 derogations.

There is also the third type of exemptions called safeguard clauses, which present the right to suspend a certain part of the *Acquis* if a country failed to fulfil its accepted obligations. Safeguard clauses were primarily intended for the EU side, and not for the candidate countries. Slovenia did not apply this type of exemption.

Question No. 18

What Country-Specific Provisions Were Contained in the EU Accession Agreement of Your Country?

As noted by Lavrač and Majcen,⁶ Slovenia asked for 22 transitory periods and 6 derogations. These requirements were not distributed proportionally across chapters. There were 19 chapters where Slovenia did not ask for any exemption, which means that in these areas Slovenia committed itself to fully adopt the *Acquis* by the time of the EU accession. The highest concentration of required exemptions was in some of the most demanding negotiating chapters, such as agriculture and environment.⁷

⁶ Lavrač and Majcen, 2006.

⁷ Mejač, 2000.

The results are comparable to the negotiating position at the beginning, although the comparison cannot be a direct one, as in time some of the negotiating positions evolved into something else, such as a concrete financial obligation or a similar agreement. An overall assessment for the case of Slovenia is that negotiations were smooth and successful.⁸

Question No. 19

Were There Any Country-Specific Transitory Provisions?

An example of country-specific transitory provisions is provided below.

In 2003, Slovenia only partially fulfilled its commitments regarding direct taxation, and therefore, needed to transpose almost the entire *Acquis* for this area.

Slovenia had obtained transitional periods for the reduced VAT rate on construction, renovation and maintenance work for residential housing not provided as part of a social policy (until 31 December 2007), the reduced VAT rate on the preparation of meals (until 31 December 2007).

Moreover, Slovenia was granted derogations allowing it to apply a VAT exemption and registration threshold of EUR 25000 for small and medium-sized businesses and VAT exemption on international passenger transport.

Further, Slovenia was granted a transitional period allowing it to defer until 31 December 2007, the implementation of the minimum excise duty rates of EUR 64 per 1000 cigarettes for the category most in demand.

The legal framework for indirect taxation primarily comprises harmonised legislation in the field of value added tax (VAT) and excise duties. This includes the application of a non-cumulative general tax on consumption which is levied at all stages in the production and distribution of goods and services and requires equal tax treatment of all domestic and import transactions.

In the field of excise duties, the *Acquis* comprises harmonised tax structures and minimum rates of duty together with common rules on the holding and movement of excisable goods (in particular, the use of tax warehouses).⁹

⁸ Lavrač and Majcen, 2006.

⁹ Commission Opinion [COM(1997) 2010 final - Not published in the Official Journal]; Commission Report [COM(1998) 709 final - Not published in the Official Journal]; Commission Report [COM(1999) 512 final - Not published in the Official Journal]; Commission Report [COM(2000) 712 final - Not published in the Official Journal]; Commission Report [COM(2001) 700 final - SEC(2001) 1755 - Not published in the Official Journal]; Commission Report [COM(2002) 700 final - SEC(2002) 1411 - Not published in the Official Journal]; Commission Report [COM(2003) 675 final - SEC(2003) 1208 - Not published in the Official Journal]; Treaty of Accession to the European Union [Official Journal L 236 of 23.09.2003].

Question No. 20*Was Your Country Able to Negotiate Any Permanent Exemptions From the EU Law?*

As aforementioned Slovenia finally negotiated 18 transition periods and 2 derogations. The negotiations were professional and lasted from 1998 to 2002, when the last chapters were closed. The initiating point of negotiations and a negotiation expert group were prepared for each of the 31 chapters; both were determined by the Government, which through a government negotiating group, led by the minister responsible for European affairs, closely monitored the progress achieved in the negotiations and adjusted the negotiation initiating points.

However, the candidate's country negotiating goal could not be to change anything in the European legal order; this was also not subject to negotiation. The negotiators could only negotiate on the method of implementing the legal order, on a possible transition period, and as an exception, meaning only on country-specific transitory provisions and country-specific exemptions.

The period of real and tough negotiations began in the final phase of the financial package negotiations, which included both negotiations on inflows from the EU budget to Slovenia, as well as on its payments to the EU budget.

Negotiations on the financial package for Slovenia's entry into the EU actually began in January 2002, when the European Commission published a document titled 'Common Financial Perspective 2004–2006', in which it defined the basic framework for discussing the financial aspects of the integration of candidate countries into the EU, and which was relatively unfavourable for Slovenia.¹⁰

The most significant obstacle in the negotiations on the financial package was the European Union's horizontal approach to the candidate countries, which did not sufficiently consider the specificity of our country as the most developed among the candidates from Central and Eastern Europe.¹¹

Question No. 21*To Your Knowledge, Were There Any Notable Differences in the Content of Your Country's EU Accession Treaty From Other Countries in a Comparable Position?*

Certainly, the content of Slovenia's EU Accession Treaty differs from that of other countries. The first group of differences involves the specific exemption from the accession and country-specific transitory provisions that we mentioned briefly. The second group of difference involves specific historical transition that Slovenia faced during the accession process. As noted by Lavrač and Majcen (2006), Slovenian transition process had a triple dimension: a) transformation of the economic system, b) shift from a regional to national economy, and c) change from being a part of the federal state to becoming a member state of the EU.

10 Bučar and Brinar, 2005.

11 Mencinger, 2004.

These historical positions are not directly comparable; there are some similarities of the concept of transition in the post-socialist countries, however, even here there are significant differences between the Baltic countries, the countries of the former Warsaw Pact and Slovenia. Direct comparisons are risky.

In Slovenia there was a high level of consensus on the importance of Slovenia's inclusion in the EU. However, in the negotiators' experience, the most difficult part of the negotiations were encountered at home. It was often difficult to reach consensus on several issues.

The sensitive issues of negotiations on the Slovenia EU accession were agriculture, environment, regional policies, budgetary flows with the EU and later Schengen border.

However, the chief areas of disappointment which raised considerable attention and led to intense public debates have to do with the following (although unimportant today) issues: (a) the rights of the EU citizens to purchase land in Slovenia even before signing the association agreement and (b) demands of the EU to close Slovenian free-trade shops on the state borders with Italy and Austria before the EU accession.

In addition, in this context, the treatment of denationalisation (return of confiscated property after the war) and the possibilities for the migration of the Slovenian labour force to the EU (detailed and balanced assessment of the chief problematic issues, see Bučar and Brinar, 2005) are noteworthy. The ten countries that joined the EU in 2004 experienced varying transition periods and exemptions, depending on their specific political situations. Cyprus had unique challenges owing to its division; the EU *Acquis* was only applied to the southern part. The Czech Republic, similarly to the Slovenia transition period, heavily emphasised agricultural reforms to align with the Common Agricultural Policy (CAP). In Hungary, similar but with more emphasis on social policy adjustments, also with some flexibility in implementing procurement regulations.

In Malta, transition period was less extensive owing to its smaller economy. Malta received some flexibility in applying certain EU laws, particularly in environmental standards. Estonia and Malta faced less extensive reforms owing to their stronger pre-accession economic conditions. All countries prioritised agriculture, however, the extent and focus varied, with some (such as Lithuania) emphasising energy reforms, whereas others (such as Poland) had broader economic reforms. The amount of flexibility varied widely, with some countries negotiating significant exemptions, whereas others facing fewer exemptions. Overall, while all ten countries aimed for integration, their individual circumstances shaped their transition periods and exemptions significantly.

Question No. 22***Are There Any Other Noteworthy Exemptions From the Application of the EU Law in Your Country?***

Noteworthy exemptions from the application of the EU law are related to alignment with the CAP, including subsidies and agricultural standards. Environmental Policy and implementation of EU environmental legislation were also among exemptions. Public Procurement is also worth mentioning, for example, reforms to ensure compliance with EU public procurement rules to promote transparency and competition and strengthening competition laws and institutions to align with EU regulations and prevent monopolies. Gradual adaptation of banking and financial regulations to meet EU standards, including measures for consumer protection was also temporary exemption from the application of the EU law; and labour market regulations: reforming labour laws to comply with EU employment standards, including worker rights and health and safety regulations. In the field of justice and home affairs, issues such as immigration, asylum, and border control were addressed for temporary exemptions.

We have to highlight the EU law related to Schengen. On 21 December 2007 Slovenia became a member of the Schengen Area and abolished border controls at its internal land and sea borders with EU member states. Checks at air borders were lifted on 30 March 2008. By joining the Schengen Area, Slovenia abolished border controls at its borders with Austria, Italy and Hungary, and simultaneously strengthened controls at its border with Croatia, which has become the external border of the Schengen Area.

Later, despite the Schengen rules, the borders were re-established in terms of border control not only between Slovenia and Croatia, but also on the Slovenian-Italian and Slovenian-Austrian borders, as well as on the borders with Germany, and after Brexit, the UK as well.

6. Conclusion

Slovenia's entry into the EU is characterised by the fact that it was closely related to the post-socialist transition and the disintegration of the previous federal state. Therefore, the political charge for joining the EU was different from comparable countries, deeper and more intense and more favourable to joining the EU. Therefore, it was not only a political and legal process, but also the realisation of the historical aspirations of the dominant part of the Slovenian people.

Slovenian accession in the EU membership as part of the EU enlargement by ten countries of CEEC, the Baltic countries and Cyprus began and ended in a good ten years. It was not an easy process, however, it was transparent, consistent and

effective. The process has changed Slovenian legislation landscape radically and in many areas. It was a comprehensive formal process, which simultaneously contributed to the gradual change of legal culture, invading a new legal tradition different from the previous one.

In terms of the complexity of the processes, the accession processes of the former socialist countries of CEEC and the Baltic states stand out. It would be interesting to analyse the differences in approaches and complexity between the latter and the waves, over the years 1973 (Denmark, Ireland and the United Kingdom), 1981 (Greece), 1986 (Portugal and Spain), 1995 (Austria, Finland and Sweden).

A comparison between these processes and the current enlargement of the EU with the countries of the Western Balkans and particularly Turkiye (where proceedings have dragged on for decades) on the one hand, and Ukraine and Moldova (where everything is supposed to occur rapidly) on the other, would be particularly useful.

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SLOVENIA

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